(क) यदि हां, तो तत्संबंधी ब्यौरा क्या हैं और सरकार इस संबंध में कब तक कोई कानून बनायेगी और उसे कार्यान्वित करेगी ?

**वित्त मंत्रालय में राज्य मंत्री (श्री सतपाल महाराज) :** (क) और (ख) जी, नहीं। कृषि श्रमिकों के पास सामान्यतया कराधेय आय नहीं होती हैं । इसके अलावा, भारतीय के संविधान की सातवीं अनुसूची की "संघ सूची" (अर्थात् सूची-I) की प्रविष्टि 82 में निहित प्रतिषेध के कारण संघ सरकार द्वारा कृषि आय पर कर नहीं लगाया जा सकता हैं ।

**CRB Scam**

715. SHRI SOM PAL.
SHRI ASHOK MITRA:

Will the Minister of FINANCE be pleased to state:

(a) the details and progress of investigations made into the CRB scam;

(b) whether Government have tried to find out the roles of various institutions like the RBI, Securities and Exchange Board . India and the State Bank of India, etc. in the matter;

(c) if so, the detailed findings thereof;

(d) what action has been taken or is proposed to be taken against the persons and institutions involved in this scam; and

(e) what steps are being initiated to check recurrence of such irregularities in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ); (a) to (d) The main activities of CRB^ Capital Markets Ltd. were hire purchase, leasing finance and merchant banking. A complaint was received in December, 1996 by RBI from Tourism Finance Corporation of India Ltd. regarding default of repayment of deposits by CRB Capital Markets Ltd. Global Trust Bank Ltd. has also reported to RBI in March, 1997 about devolvement of Letter of Credit opened by a group Company. Further, the company fraudulently overdrew its accounts with the State Bank of India, Mumbai Main Branch (MMB) for payment of interest warrants, deposit refunds and brokerage warrants by an amount of over Rs. 58 crores.

Keeping in view the findings of the inspection carried out between November, 1996 to January, 1997 and the subsequent developments, especially relating to the SBI, the RBI issued prohibitory orders in April, 1997 under section 45MB(1) & (2) of RBI Act directing the company not to accept any further deposits and not to alienate any assets without prior permission of RBI. The RBI filed a winding up petition in the Delhi High Court under section 45 MC of the RBI Act on 21.5.1997. A provisional Liquidator has been appointed by the Delhi High Court.

Government has asked the regulators, i.e. RBI and SEBI to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected, Government has also advised the State Bank of India ot ascertain whether there was any internal failure to act on early warning signals emanating from the defaults in the payment arrangements with CRB Capital Markets Ltd. At the operative level an inter-departmental group comprising representatives of CBI, RBI, SBI and State Government has been constituted to ensure concerted action. RBI has also issued detailed instructions to bank? prescribing the procedural safeguards to be taken into account while providing "at par" payment facilities to companies. Based on the findings of an enquiry into the development relating to CRBCML, SBI has initialed action against some officials.

(e) Keeping in view the twin needs of providing adequate protection to the depositors and maintaining the stability of the financial system, the Parliament has recently enacted amendments to the Reserve Bank of India Act, for regulating Non-Banking Finance Companies (NBFCs) which inter-alia, include mandatory requirements for registration, minimum net owned funds, maintenance of liquid assets, compulsory transfer of certain proportion of profits to reserves and empowering the Company Law Board to look into the cases of non repayment of deposits. These measures would facilitate continued liquidity -and solvency of NBFCs and are expected to go a

long way in enabling the NBFCs to meet the liabilities of depositors as and when they accrue. Operationally, RBI has initiated steps to strengthen the supervisory apparatus involving both off site and on site surveillance of NBFCs and a greater emphasis on asceretaining asset quality.

**Capital Account Convertibility**

716. SHRI NILOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the press report with the caption "convertibility can wait" which appeared in the Economic Times dated June 2, 1997;

(b) if so, the reaction of Government thereto;

(c) whether the currency price fluctuations are largely influenced by the forex price movement in international market where US dollar 1.2 trillion is traded daily;

(d) if so, whether Indian economy is strong enough to overcome these vagaries if there is capital account convertibility;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Yes, Sir. An article entitled "convertibility can wait", written by Shri D.R. Pendse appeared in the Economic Times on June 2, 1997. The article is in response to the Report of the Committee on Capital Account Convertibility. The suggestions of various individuals and associations are kept in view by the government while formulating appropriate economic policies.

(c) to (f) Based on an assessment of macro-economic conditions, the Committee is of the considered view that the time now is opportune to initiate a move towards capital account convertibility. The Committee, however, recognises that the initial conditions do contain certain weaknesses and the entrenchment of pre-conditions can be achieved in the Indian context only over a period of time. The establishment of the pre-conditions need to be viewed as processes rather than as one time indicators. The Committee, therefore, recommended that the implementation of capital account convertibility be spread over a three year period 1997-78 to 1999-2000.

**Dearness Allowance Instalment**

717. SHRI MOHINDAR SINGH KALYAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that another instalment of Dearness Allowance has become due for payment to the Central Government Employees with effect from 1st, July, 1997;

(b) if so, the details thereof; and

(c) by when orders will be issued by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Dearness Allowance to Central Government Employees is revised twice a year from 1st January and 1st July payable with the salary for the months of March and September respectively. The decision regarding another instalment of Dearness Allowance effective from 1.7.1997 will be taken well before it is payable in September, 1997.

**Lack of Infrastructural Facilities in Income Tax Department**

718. SHRI JAYANT KUMAR MALHOUTRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that senior officers of Income Tax Department have complained of lack of infrastructural facilities stating that the ambitious plan of increased revenue mobilisation may not take off if Government's attitude towards tax-collectors does not change;

(b) if so, the details thereof; and

(c) the steps taken or proposed to be taken to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) A proposal for further